

document the scope of their licences and rely on the Courts to determine what was agreed and the scope of any implied terms. This gives rise to a situation where reasonable minds can differ as to whether a term or the scope of a term was agreed or should be implied.

If you are allowing someone to use your IP, or you are using a third party's IP, ensure both parties agree to the scope of the use upfront, otherwise the parties may proceed on different bases, and it can be costly and time consuming to have a Court determine what the parties intended.

#### **For engagements between creative agencies and businesses**

Ensuring contracts are clearly expressed in writing will avoid many issues encountered in this case.

Even if fulsome or tailored agreements are not practical (e.g. because of time constraints or low contract value), it is helpful to have a template, short-form agreement on hand (e.g. a 'Terms of Trade', 'Purchase Terms' or 'Invoice Terms') that your organisation can provide to the counterparty or publish on your organisation's website. This template should include a default position regarding IP ownership and licensing conditions.

While templates may not be suitable for every transaction or accepted by every customer or supplier, they will provide a baseline for negotiations, and encourage both parties to turn their mind to contractual issues. If one party seeks more favourable terms, this may also be an opportunity to adjust the contract price.

If your organisation proceeds without a written contract, ensure there is a 'paper trail' of the key terms (e.g. emails,

letters or file notes of telephone conversations). This may help if any dispute arises in future and the parties need to provide evidence of what was intended, or seek to rely on the doctrine of estoppel.

#### **For website operators publishing third party content**

This case demonstrates that publishing third party content on a website without expressly agreed terms with the copyright owner can be risky. To mitigate and manage these risks, where possible, an express licence or consent from the copyright owner (often the original creator of the content, or their employer) should be sought.

If this is not a practical option and if third party content is published on the authority of an intermediary (e.g. a website user), steps should be taken to proactively verify that the intermediary has the original creator's permission to do so. This may involve asking additional questions of the intermediary or requesting copies of any consents or upstream contracts with the creator. At the very least, express warranties and indemnities against infringement of any third party IP should be sought. It should also address who will have control over the conduct of the defence or settlement negotiations of any such infringement claims. Absent these provisions, a website operator may face significant financial liability – even though the alleged copyright infringement may have been unintentional and outside of its direct control.

**Read the full decision of *Realestate.com.au Pty Ltd v Hardingham, RP Data Pty Limited v Hardingham* [2022] HCA 39 and MinterEllison's original article on the decision at <https://www.minterellison.com/articles/implied-ip-licences-high-court-rules-in-favour-of-realestate-com-au>**

## **Battle of the Bunnies - Trade Mark Action Taken by Lindt**

**Authors: Zeina Milicevic (Partner) and Anjali Nadaradjane (Associate), MinterEllison**

Swiss chocolatier, Lindt, has been embroiled in various courtroom battles over their iconic milk chocolate rabbit. Recently, Lindt was engaged in a dispute with Lidl (German international discount retailer). Lindt claimed that Lidl had infringed its trade mark rights by selling similarly shaped chocolate rabbits. The case highlights that consumer protection will remain at the forefront of the Court's mind when making decisions about certain shape trade marks.

In the initial Court ruling, the Swiss Federal Supreme Court found in favour of Lidl on the basis that the rabbit-shaped chocolate was not distinctive enough and that there were a wide variety of chocolate rabbit-shaped products on the market. On appeal, the Court found that a risk existed where consumers would confuse Lidl's chocolate rabbit product with Lindt's chocolate bunny and granted Lindt a broad scope of protection. In particular, the Court considered consumer surveys which indicated that the majority of respondents recognised that the Lindt bunny was produced by Lindt. The Court concluded that the average consumer was more likely to see Lidl's chocolate rabbits and confuse it with the Lindt product.

The Court found that the word and figurative mark of 'Favorina' on the Lidl product did not eliminate the likelihood of confusion between the two products. The Court considered that customers select products known to them above all on the basis of the shape and the main features, without necessarily consulting the label.

European Union trade mark regulators believe that consumers are less likely to see the shape of a product as an indicator of commercial origin than a brand name or logo. They generally require evidence that the shape has been around for some time, and that it also departs significantly from the norms of the industry.

An Australian Court may have come to a different decision. In Australia, it is difficult to register and enforce shape trade marks if the shape, or depictions of the shape trade mark, are used in combination with other branding elements. Achieving the level of ubiquity required to be granted a trade mark registration for a shape can be difficult.

**Full case: *Chocoladefabriken Lindt & Sprüngli AG v (First) Lidl Schweiz AG; and (Second) Lidl Schweiz DL AG* 4A\_587/2021**